The Time Is NOW

Regional Transportation Authority

1992 Annual Report

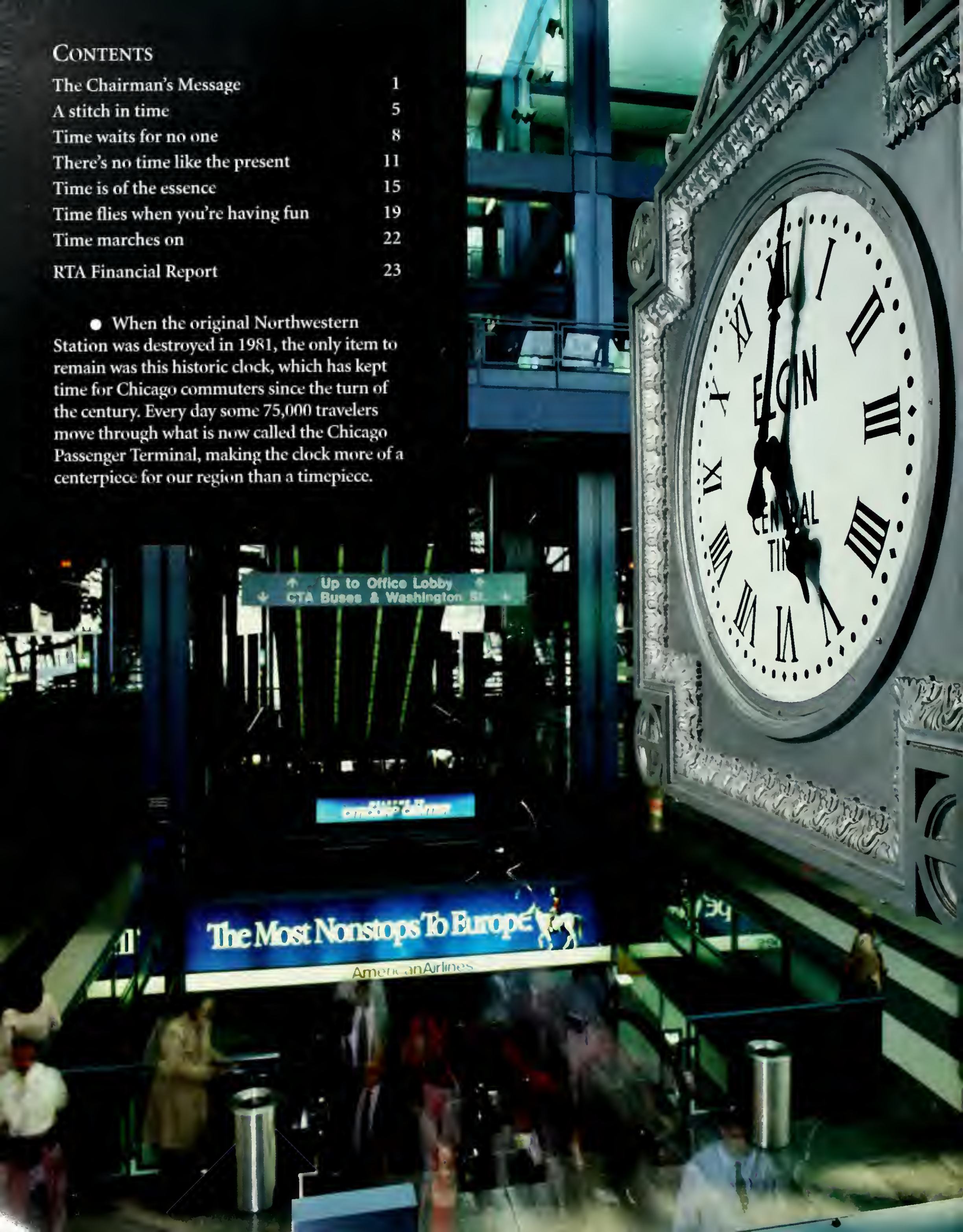
The Time Is NOW

Regional Transportation Authority

1992 Annual Report

Contents

The Chairman's Message	1
A stitch in time	5
Time waits for no one	8
There's no time like the present	11
Time is of the essence	15
Time flies when you're having fun	19
Time marches on	22
RTA Financial Report	23



● When the original Northwestern Station was destroyed in 1981, the only item to remain was this historic clock, which has kept time for Chicago commuters since the turn of the century. Every day some 75,000 travelers move through what is now called the Chicago Passenger Terminal, making the clock more of a centerpiece for our region than a timepiece.

The Chairman's Message

The Honorable Jim Edgar, Governor
and the General Assembly
of the State of Illinois

Our country underwent major transformations in 1992. This has been a tumultuous time of civil unrest, natural disaster and calls for change. And here in Chicago, this past year brought trials and tribulations for local leaders as well, in the forms of a flood no one could see and a bridge that fell up, among them. We found that in those sometimes desperate hours, the people of this region turn to transit. In discussing the mass evacuation of Chicago Loop employees during the Chicago Flood in April, 1992, one reporter noted it was "Transit's Finest Hour." But the fact of the matter is that transit is the unheralded nerve center of this region - every hour, twenty-four hours a day, seven days a week. ... Recent funding pressures have caused some to question the continuing value of public mass transportation to the Chicago region and the State of Illinois. Yet, public transportation and the Chicagoland area as we know it are inextricably entwined: Chicago's Loop, still the heart of the regional economy, literally could not exist without public transportation. Some 75 percent of all trips to the Central Business District are accomplished via mass transit. A road system adequate to move the same volume of people simply could not be built. ... Even those who do not travel on the system reap its benefits every day. To show you the many ways the Regional Transportation Authority system is at work constantly – and in ways often unbeknownst to the vast majority of those living in the region – we will go through a day in the life of the RTA region. Time starts now.

Sincerely,

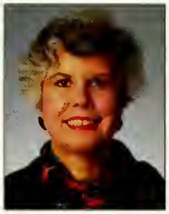
Gayle M. Franzen

Gayle M. Franzen
Chairman

RTA Board of Directors


Martin R. Binder


Clark Burrus


Pastora San Juan Cafferty


Duane E. Carter


Gayle M. Franzen
Chairman


Charles G. Dalton


David L. DeMotte


Herbert E. Gardner


Frank R. Miller


Kathleen K. Parker


Donald L. Totten


Jacqueline B. Vaughn


Rev. Addie L. Wyatt


Laura A. Jibben
Executive Director

The

Time

Is

5:51 AM A foreman meets with other construction workers at the site of the Chicago Passenger Terminal. Work continues as another $9 million was spent in 1992 on this construction project. Demolition is 97 percent complete; sandblasting is 93 percent complete; and station canopy steel fabrication is 40 percent complete. RTA funds for the rehabilitation of this facility, which has served as a centerpiece of our city for decades, and other projects as well, will ensure our system stands the test of time. ● ● ● The Chicago Passenger Terminal is just one of an array of RTA Capital Program projects that will rebuild and refurbish the RTA system. In 1992, the Service Boards had obligations of $570 million and expenditures of $570 million. The Capital Program included critically important improvements, among them: five electrical substations that will convert Commonwealth Edison's Alternate Current power into the Direct Current power needed to operate CTA trains and a system-wide farebox for Pace. ● ● ● Another Capital Program project with major expenditures in 1992 was the Metra purchase of 173 accessible rail cars and the rehabilitation of 140 commuter cars. That work opened the shuttered South Side Pullman facility, bringing much-needed jobs into this region. Now that the facility is up and running, other private-sector projects may be completed there as well. Serving as an economic stimulus, the RTA's efforts have gone a long way to keep this region ticking. ● ● ● When new State funds nearly doubled the RTA's 1990-1994 Capital Program, one of the first challenges was to show the program could be carried out on a much larger scale. The RTA and its three Service Boards have met that challenge with a threefold increase in annual obligations and an almost fourfold increase in annual expenditures since 1989. The Capital Program is meeting the need twenty-four hours a day.

A stitch in time

The

Time

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8:15 AM Helen Eisenbeis, on board a Pace bus with her grandchildren, is en route to Brookfield Zoo on the #331. Kids under 7 years old ride free, when traveling with a full-fare paying adult. • • • Ridership numbers continue to grow with close to 40 million passengers riding Pace in 1992. The Service Board maintains its fleet of more than 700 buses and 287 paratransit vehicles. With total assets valued at more than $160 million, Pace serves some 3,500 square miles in 265 suburban communities. • • • In 1992, Pace expanded its service by implementing a new Vanpool Incentive Program, which is one of the country's fastest-growing public van programs. At the center of the program is each vanpool – a group of six to fifteen commuters who work at or near the same location and live in the same general area. They commute to work in a van that is owned, insured and maintained by Pace, but is driven by a volunteer participant of the pool. In addition, Pace added new fixed-route and subscription bus routes as commuting options.

saves nine.

The

Time

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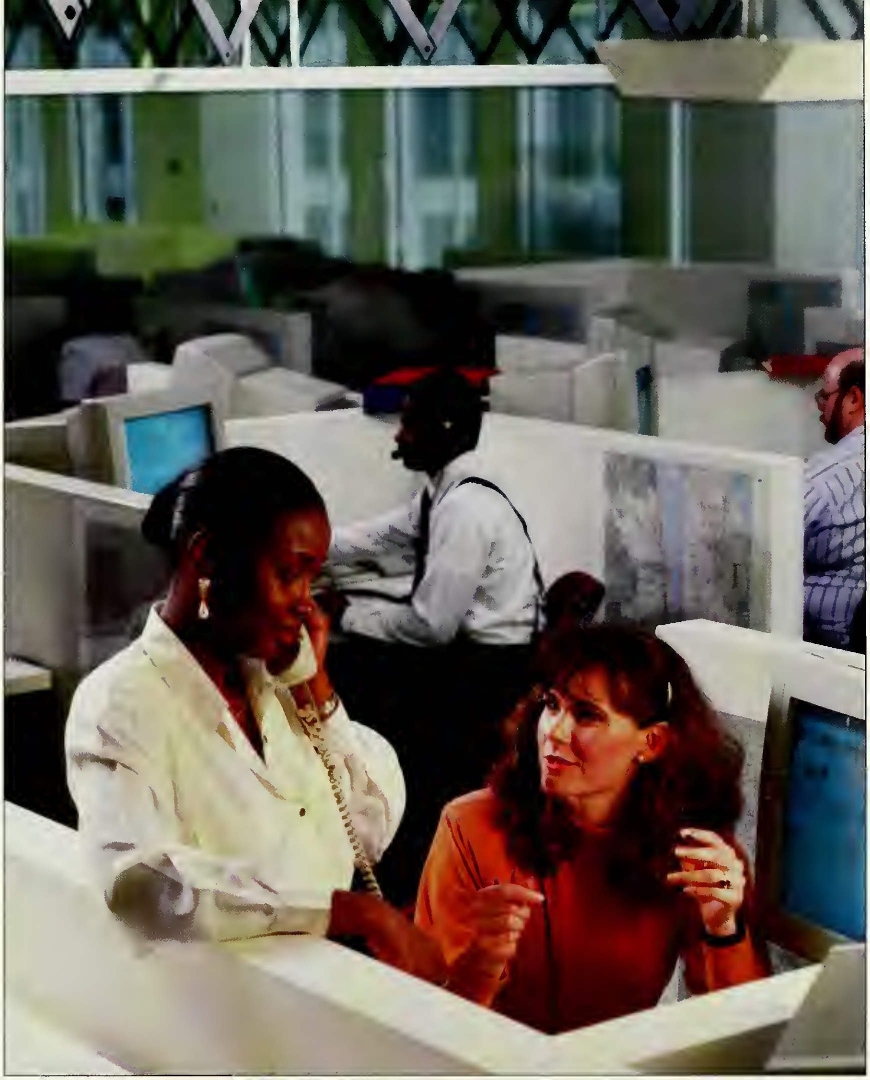
9:30 AM A Travel Information Center agent takes her 186th call of the day. The TIC continues to route a staggering number of riders throughout the region twenty hours a day, seven days a week. In 1992, the TIC answered almost 4 million calls requesting route or service information. On any given day, TIC agents get and give answers to 10,000 prospective riders. Those agents direct callers to service provided on the more than 5,000 vehicles that run over 11 rail lines and 362 bus routes that comprise the RTA system.

11:56 AM Store owner Jerry Groh hands out RTA Transit Checks to White Hen Pantry employees as part of the RTA Transit Check program. Today, after two years in operation, more than 500 organizations issue some 8,000 checks a month. The RTA Transit Check program allows employers to subsidize their employees' use of public transportation as a tax-deductible business expense. The check, bought by the employer from the RTA, is used as a monthly voucher by the employee for a $21, $40, or $60 discount on the purchase of passes or tokens for Pace suburban buses, Metra commuter trains, and CTA buses and rapid transit. ● ● ● In 1992, the Federal government increased the limit on the subsidy from $21 to $60. The RTA responded by offering the Transit Checks in larger denominations to allow for program flexibility while preserving efficiency. Still the second largest program of its kind in this country, sales of RTA Transit Checks now exceed $200,000 a month.

Time waits for no



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12:32PM Leaders of people with disabilities map out plans for implementation of the Americans with Disabilities Act. The Act requires a number of changes to the existing system, including CTA and Pace Special Services programs. Among the changes is the development of a new certification process that determines eligibility on the basis of an applicant's functional ability to use fixed route bus and rapid transit service. The RTA's Planning and Market Development Department met at length with members of the disabled community to create a process for certification that would be both fair and easy. The certification will take place in 1993. • • • A separate, but equally challenging, aspect of the Americans with Disabilities Act is making all transit vehicles and stations accessible to people with disabilities. In 1992, bus service accessibility increased substantially. Just a few years ago no Pace or CTA buses were lift-equipped. Today, 50 percent of Pace bus service is accessible and the CTA has over 40 percent accessibility for bus service. Ahead of time, even before ADA, the RTA system has been on track to make vehicles accessible. • • • Staff are still trying to gauge the total financial impact of the new ADA regulations, although initial projections would indicate that compliance will carry a large price tag. It is believed that in 1997, expenditures for paratransit service will be double what was spent in 1992. While the increased service has been mandated, the funding levels for implementation remain woefully inadequate. The time to make transit work for all residents of the region is now – and the funds to make that happen are desperately needed.

There's no time

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3:26 PM Eric Grant steps into the first-floor lobby of the RTA at 181 W. Madison to pick up one of the more than 300 maps and brochures available at the RTA. From materials about the RTA Reduced Fare Program to a system map to a #16 bus timetable, the RTA has information on hand and answers for riders of the system. The new customer service location opened to the public in November of 1992.

like the present.


SYSTEM MAP

The

Time

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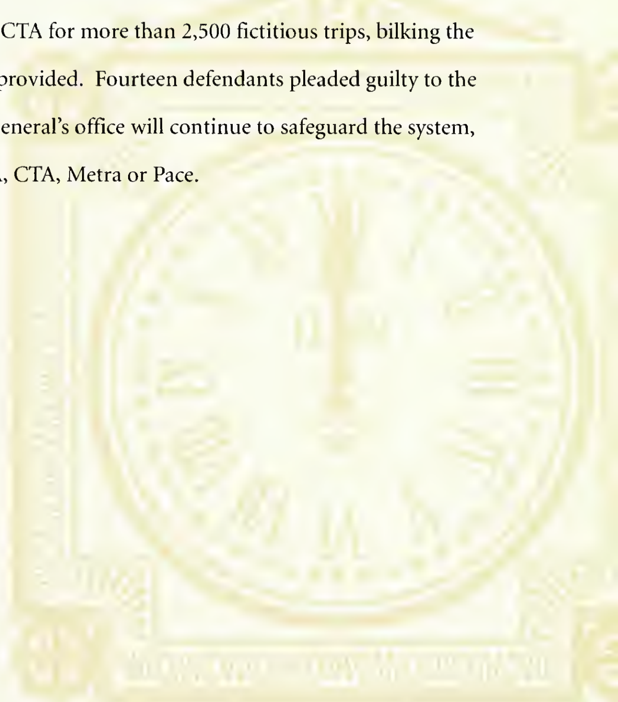
5:45PM Inspector General Terrence Hake "closes the case" on another day at the RTA. In 1992, Hake saw the end to a three and one-half year fraud investigation with the sentencing of a former provider of disabled transportation services to the Chicago Transportation Authority. The fraud was exposed by the CTA and investigated by the RTA and the Cook County State's Attorney's Office. The investigation revealed that the company billed the CTA for more than 2,500 fictitious trips, bilking the Service Board out of $37,000 for transportation never provided. Fourteen defendants pleaded guilty to the crime in December, 1992. • • • The Inspector General's office will continue to safeguard the system, pursuing any information concerning fraud at the RTA, CTA, Metra or Pace.



Time is of the

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6:43PM RTA staff meet with Chairman Gayle M. Franzen as work proceeds on Personal Rapid Transit. Executive Director Laura A. Jibben, a staunch advocate of the technology, believes PRT might be the most effective tool in fighting suburban congestion. If built, PRT would offer small, personal cars seating no more than five passengers each; wait times of less than three minutes; fully-accessible off-line stations, permitting riders to proceed directly to their own destinations without intermediate stops; lightweight guideways that are unobtrusive and aesthetically pleasing; fully automated, computer-programmed travel; and maximum passenger safety. Of the 22 communities originally expressing an interest in having a demonstration PRT test site built in their area, staff have now determined the ideal candidate for such a project is Rosemont. Officials will soon decide which of two competing system designers – Intamin AG and Raytheon Company – will best serve the demonstration. ● ● ● Also under study by the New Technology division of the RTA is the feasibility of Station Cars as a possible approach to tackling the problem of increasing parking density at commuter rail stations. The cars could be electrically powered and carry up to two passengers. In addition to providing transportation to commuters, these vehicles could serve as a second family car, or provide occasional transportation to those who do not want to own a car because they have no place to park. ● ● ● Regardless of whether or not work proceeds on these unique initiatives, the RTA is laying the groundwork to keep the region on the cutting edge of new technologies. We simply can not afford not to research these possibilities if we are to keep time with markets of the future.

essence.

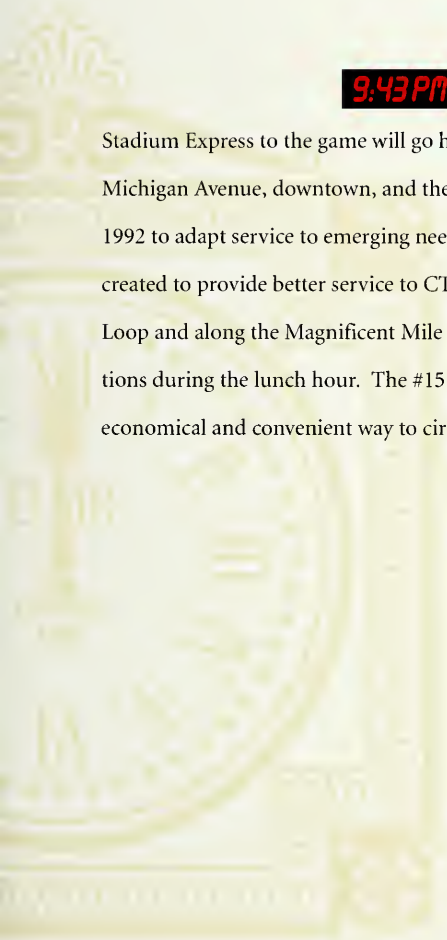

Lite BEER
Lite
Gatorade
BULLS
59
7:12
3
KNICKS
55
PLR F PTS
PLR F PTS
Enjoy Coca-Cola
Winston
Miller Genuine Draft
9:43
7:12

The

Time

Is

9:43PM Many of the thousands of Chicago Bulls fans who took the #19 Stadium Express to the game will go home the same way. The Express offers direct bus service from North Michigan Avenue, downtown, and the Chicago Passenger Terminal. The CTA took extraordinary steps in 1992 to adapt service to emerging needs. In addition to the #19, two other special shuttle bus routes were created to provide better service to CTA customers. For a cut-rate of .50 cents, workers and shoppers in the Loop and along the Magnificent Mile are now able to make quick trips to restaurants, stores or other destinations during the lunch hour. The #15 and the #10 bus routes have been largely successful in providing an economical and convenient way to circulate people downtown.



Time flies when

The

Time

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11:40 PM The last Metra West Line train pulls out of the Chicago Passenger Terminal for the day. Of course, it will be just a matter of minutes until the first train pulls out for the next day, at 12:30. This train is just one of 600 that provide some 250,000 trips over 11 rail lines, taking people to 233 stations throughout the Chicago region. • • • In 1992, Metra had the best on-time performance ever, with some 97 percent of their trips arriving as scheduled. No other commuter rail system in the nation can boast such excellence.

you're having fun.


612
NORTHWEST
Metra
State of
Illinois
612

The

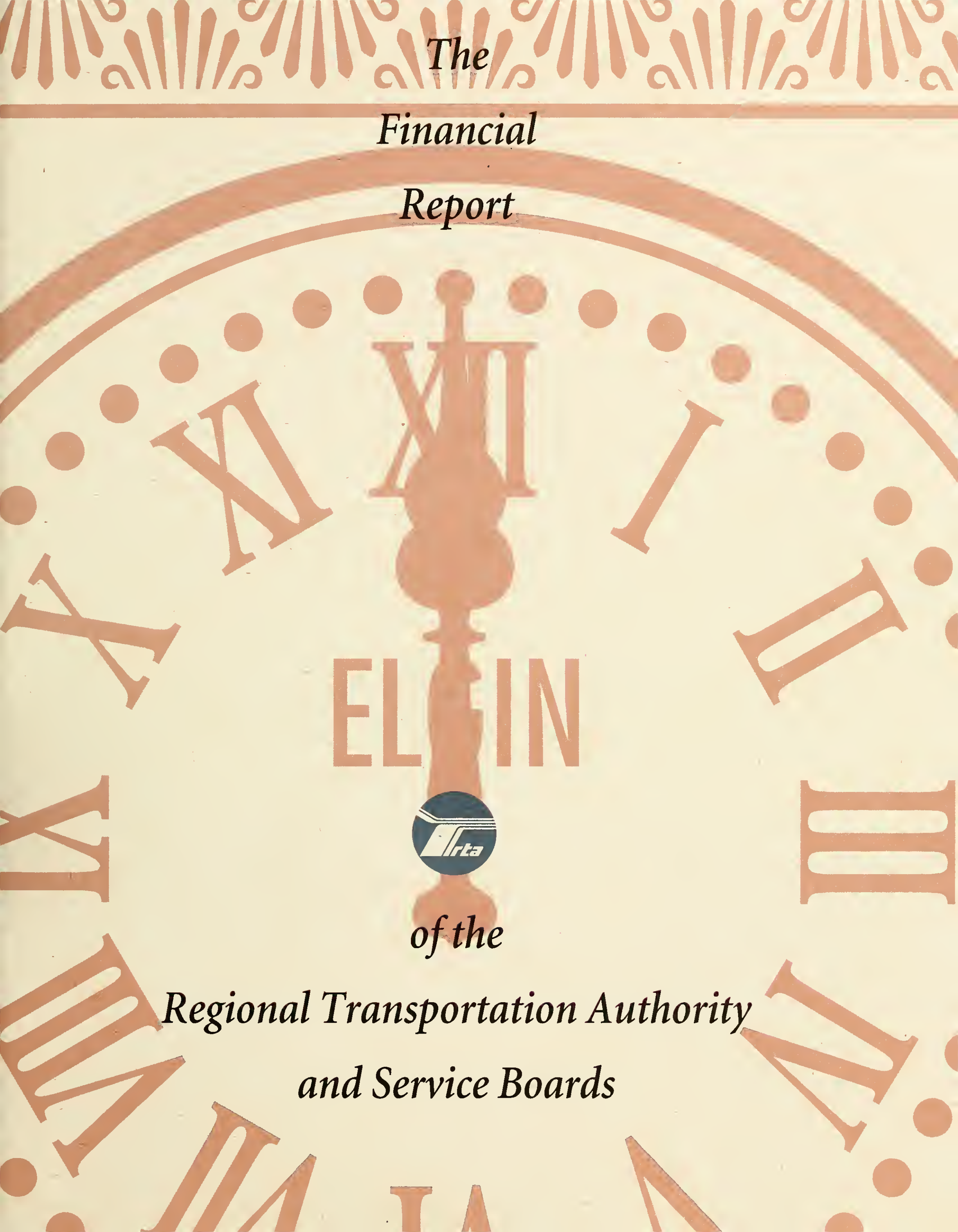
Time

Is

NOW Whether it is in the form of an RTA Transit Check that helps Chicagoland employees make ends meet, or accurate information on the next Metra train courtesy of a Travel Information Center agent, or even transportation to events *after* work, the RTA is an undeniable and

inextractable element of our lives and of this region. Much like time, or anything else that is so intimately related to us, calculating the worth of our public transportation system beyond its $16 billion in physical assets is difficult. Mass transit's value must be reckoned not only in terms of investment value or replacement cost, or even its broader impacts upon the regional and state economies; it must be calculated in terms of its social impact on the lives of the 7.5 million citizens of Northeastern Illinois. Calculating how much money a person makes in an hour is easy. Calculating the worth of how that hour is spent is not. ● ● ● If there were no standard marking of time, our society would turn to chaos. In much the same way, if the RTA system did not exist, the region would become economically lifeless. We must put the money into the system if we are to remain a viable economic force. This is not a time to compromise our future by jeopardizing our funding. This is a time to reinvest in tomorrow.

Time marches on.



The Financial Report of the Regional Transportation Authority and Service Boards

Pro Forma Combining Financial Report of the Regional Transportation Authority and Service Boards

Contents

Introductory Section

Letter of Transmittal 25

Pro Forma Combining Financial Statements

Independent Auditors' Report 26
Pro Forma Combining Balance Sheet 27
Pro Forma Combining Statement of Revenues and Expenditures 29
Pro Forma Combining Statement of Changes in Public Investment and Fund Balance 30
Pro Forma Combining Statement of Cash Flows 31
Notes to Pro Forma Combining Financial Statements 33

Supplementary Financial Information

Pro Forma Combining Region-wide Statement of Revenue and Expenditures 46
Pro Forma Combining Region-wide Budgetary Basis Statement 47

Statistical Section

Service Division Operating Characteristics 48
Allocation of Capital Funds to Northeast Illinois 48
System Ridership 49
Unlinked Passenger Trips 49
Sales Tax Revenues Source by County/City of Chicago 50
Retailers Occupation and Use Tax (Sales Tax) Revenues by County 50
Distribution of Revenues 51
Distribution of Expenses 51
Legal Debt Capacity 52

Letter of Transmittal

Mr. Gayle M. Franzen, Chairman
Regional Transportation Authority
181 West Madison Street
Chicago, Illinois 60602

We are pleased to present the Pro Forma Combining Annual Financial Report for the Regional Transportation Authority, the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division for the Fiscal Year Ended December 31, 1992. The purpose of this report is to fulfill the requirements of Section 4.05 of the RTA Act. This report presents the operations of our transit system in the aggregate and not as individual components. It allows you to see the magnitude of the resources on hand and in use for mass transportation in the Northeastern Illinois Region.

The Pro Forma Combining Financial Statements have not been audited, but their compilation has been reviewed by the RTA's independent auditors. These reports are available upon request.

As always, the staff recognizes the board's commitment to fiscal responsibility and we look forward to another year to continue to improve transportation in Northeastern Illinois.

Sincerely,

Laura A. Jibben
Executive Director

Frederick B. Ollett
Assistant Executive Director
Finance & Administration

Independent Auditors' Report

Board of Directors
Regional Transportation Authority
Chicago, Illinois

KPMG Peat Marwick
Certified Public Accountants

We have audited the general purpose financial statements of the Regional Transportation Authority, the financial planning and oversight agency for regional transit operations, as of December 31, 1992, and have issued our report thereon dated April 28, 1993. These financial statements are the responsibility of the management of the Regional Transportation Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Regional Transportation Authority as of December 31, 1992, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

As to the financial statements of the Service Boards, which include Chicago Transit Authority (CTA), the Northeast Illinois Railroad Corporation (Metra Commuter Rail Division) and the Suburban Bus Division (Pace), we were furnished with the reports of other auditors with respect to their audits for 1992. The auditors' reports on the Service Boards were unqualified.

We have compiled the accompanying proforma combining balance sheet of the Regional Transportation Authority and Service Boards as of December 31, 1992, and the proforma combining statement of revenues and expenditures and the proforma combining statement of cash flows for the year then ended in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying proforma financial statements and, accordingly, do not express an opinion or any other form of assurance of them.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Regional Transportation Authority taken as a whole. The accompanying proforma combining region-wide statement of revenues and expenditures and proforma combining region-wide budgetary basis statement are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Regional Transportation Authority.

The accompanying statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subject to auditing procedures applied in the audit of the basic financial statements of the Regional Transportation Authority and, accordingly, we express no opinion on such statistical data.

KPMG Peat Marwick

June 7, 1993

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

PRO FORMA COMBINING BALANCE SHEET

December 31, 1992 *(in thousands)*

Assets	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debt	Combining Adjustments Credit	Pro Forma Combined Balance
Current Assets:							
Cash and investments (Note 7)							
Restricted	$145,169	$23,522		$8,027			$176,718
Unrestricted	5,223	796	$18,171	1,294			25,484
Reserved for capital projects	69,420	15,019	66,465	7,470			158,374
Receivables							
Sales tax	87,285						87,285
Interest on sales tax	77						77
Reduced fare reimbursement	20,783						20,783
Federal operating assistance	43						43
PTF receivable	18,338						18,338
Additional State Assistance	1,003						1,003
Interest on investments	1,857						1,857
Interagency	3,769					$3,769	
Due from CTA (Note 8)	23,511					23,511	
Due from Metra (Note 8)	25,040					25,040	
Due from other funds	2,707						2,707
Other receivables	260	12,424	9,347	2,810			24,841
Grant projects		25,203	23,844	1,249			50,296
Financial assistance - RTA		104,814	29,669	17,751		152,234	
Other carriers			382	70			452
Materials and supplies		64,429	6,536	2,823			73,788
Prepaid expenses	204	2,891	513	224			3,832
Total Current Assets	404,689	249,098	154,927	41,718	0	204,554	645,878
Fixed Assets:							
Plant, property and equipment	7,889	2,113,376	1,400,660	197,964			3,719,889
Construction in progress			4,269	5,339			9,608
Less: accumulated depreciation		(703,046)	(310,616)	(77,452)			(1,091,114)
Total Fixed Assets	7,889	1,410,330	1,094,313	125,851	0	0	2,638,383
Other Assets:							
Investment relating to employee benefit plan		162,889	13,429				176,318
Other		6,516					6,516
Amount available in debt service fund	5,790						5,790
Amount to be provided for retirement of general long-term debt	428,475						428,475
Total Other Assets	434,265	169,405	13,429	0	0	0	617,099
Total Assets	$846,843	$1,828,833	$1,262,669	$167,569	0	$204,554	$3,901,360

The accompanying notes to the pro forma combining financial statements are an integral part of this statement.
See accompanying compilation report of KPMG Peat Marwick.

PRO FORMA COMBINING BALANCE SHEET

December 31, 1992 *(in thousands)*

Liabilities, Public Investment and Fund Equity	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debt	Combining Adjustments Credit	Pro Forma Combined Balance
Current Liabilities:							
Vouchers Payable	$725	$86,597	$32,756	$6,057			$126,135
Payable to Service Boards:							
Operating assistance	20,188				$20,188		
New initiatives	675				675		
Capital grants	13,953				13,953		
Sales tax	74,192				74,192		
Interest on sales tax	65				65		
Reduced fare reimbursement	20,783				20,783		
Due to other funds	2,707						2,707
Accrued other expenses	3,182	78,115	16,332	3,156			100,785
Deferred operating assistance		2,100			2,100		
Deferred revenue		6,597	2,473				9,070
Current portion of injury and damage reserve	6,452	27,500		4,632	3,700		34,884
Advances, deposits and other liabilities		19,843					19,843
Financial assistance to other carriers			2,976	95			3,071
Current obligation - RTA (Note 8)		3,500	6,790	2,429	12,719		
Total Current Liabilities	142,922	224,252	61,327	16,369	148,375	0	296,495
Long-Term Liabilities:							
General Obligation Bonds payable (Note 9)	434,265						434,265
Injury and damage reserve		71,608	24,700	4,897			101,205
Employees' deferred compensation plan		162,889	13,429				176,318
Accrued benefits		34,043					34,043
Accrued pension cost		146,250					146,250
Long-term obligation - RTA (Note 8)		20,011	18,250		38,261		
Other long-term liabilities		1,660		3,674			5,334
Total Long-Term Liabilities	434,265	436,461	56,379	8,571	38,261	0	897,415
Total Liabilities	577,187	660,713	117,706	24,940	186,636	0	1,193,910
Public Investment and Fund Equity:							
Contributed Capital	48,500	1,448,452	1,066,590	128,911	609,191	591,273	2,674,535
Investment in general fixed assets	7,888						7,888
Retained earnings	2,551		78,373	13,718			94,642
Fund Balance:							
Reserved for 87 and prior budgeted capital	10,437						10,437
Reserved for 88 thru 92 budgeted capital	73,268						73,268
Reserved for debt service	10,510						10,510
Unreserved, Undesignated	36,051						36,051
Reserved for bond capital projects	80,451						80,451
Accumulated deficit		(280,332)					(280,332)
Total Public Investment and Fund Equity	269,656	1,168,120	1,144,963	142,629	609,191	591,273	2,707,450
Total Liabilities, Public Investment and Fund Equity	$846,843	$1,828,833	$1,262,669	$167,569	$795,827	$591,273	$3,901,360

The accompanying notes to the pro forma combining financial statements are an integral part of this statement.
See accompanying compilation report of KPMG Peat Marwick.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

PRO FORMA COMBINING STATEMENT OF REVENUES AND EXPENDITURES

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debit	Combining Adjustments Credit	Pro Forma Combined Balance
Revenues:							
Passenger fares		$352,349	$63,909	$29,081			$445,339
Other		40,760	26,056	5,786	$28,404		44,198
RTA financial assistance		357,769	153,103	54,445	565,317		
Sales taxes	$445,891						445,891
Interest on sales taxes	565						565
Federal operating assistance	49,141						49,141
PTF	109,843						109,843
Additional State Assistance	6,016						6,016
State reduced fare reimbursement	27,924						27,924
Investment income	15,606						15,606
Other grants and reimbursements	400						400
Total Revenues	655,386	750,878	243,068	89,312	593,721	0	1,144,923
Expenditures:							
Operating expenses		809,389	222,919	91,552			1,123,860
Depreciation		69,420	51,612	14,407			135,439
Operating grants to Service Boards	542,174					$542,174	
Capital grants to Service Boards	279,291					19,628	259,663
New initiatives to Service Boards	1,067					1,067	
Reduced fare reimbursement to Service Boards	27,924					27,924	
Sales tax interest to Service Boards	480					480	
Administration	4,864						4,864
Regional expenses	11,197						11,197
Debt Service	26,482						26,482
Fixed assets additions	1,737						1,737
Total Expenditures	895,216	878,809	274,531	105,959	0	591,273	1,563,242
Net Revenues (Expenses/Expenditures) Before Depreciation Exclusion	(239,830)	(127,931)	(31,463)	(16,647)	593,721	591,273	(418,319)
Depreciation exclusion		65,202	51,612	14,407			131,221
Bond proceeds	218,486						218,486
Capital farebox financing			7,425				7,425
Net Revenues (Expenditures)	($21,344)	($62,729)	$27,574	($2,240)	$593,721	$591,273	($61,187)

The accompanying notes to the pro forma combining financial statements are an integral part of this statement.
See accompanying compilation report of KPMG Peat Marwick.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

PRO-FORMA COMBINING STATEMENT OF CHANGES IN PUBLIC INVESTMENT AND FUND BALANCE

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debit	Combining Adjustments Credit	Pro Forma Combined Balance
Balance at December 31, 1991	$289,265	$1,035,072	$905,781	$139,590			$2,369,708
Net revenues (expenditures)	(21,344)	(62,729)	27,574	(2,240)	$593,721	$591,273	(61,187)
Net additions of general fixed assets	1,735						1,735
Combining adjustments to public investment, net of depreciation					15,470		(15,470)
Contributed capital assets:							
FTA		150,017	89,286	12,075			251,378
Illinois Department of Transportation		4,502	24,293	4,688			33,483
Regional Transportation Authority		106,460	149,641	2,923			259,024
Current year depreciation on other capital assets		(65,202)	(51,612)	(14,407)			(131,221)
Balance at December 31, 1992	$269,656	$1,168,120	$1,144,963	$142,629	$609,191	$591,273	$2,707,450

The accompanying notes to the pro forma combining financial statements are an integral part of this statement.
See accompanying compilation report of KPMG Peat Marwick.

PRO FORMA COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Joint Self-Insurance Fund	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Pro Forma Combined Balance
Cash Flows From Operations:					
Operating Income (loss)	$709	($485,700)	($184,566)	($71,092)	($740,649)
Reconciling adjustments:					
Depreciation		69,420	51,612	14,407	135,439
Provision for claims	(12,150)	20,979	225	2,170	11,224
Capital Improvements			95		95
Change in assets and liabilities:					
Decrease (Increase) in accounts receivable	(350)	(2,953)	689	(124)	(10,497)
Decrease (Increase) in materials and supplies		(683)	(975)	520	(1,138)
Decrease (Increase) in other assets		(7,725)	(8)	108	(7,764)
Increase in accounts payable		18,839	4,761	323	23,923
(Decrease) in other liabilities		(520)		(2)	(522)
Increase in accrued expenses		22,800	2,106	95	25,001
(Decrease) in deferred revenues		(3,760)	(66)		(3,826)
Net cash provided by operating activities	(11,791)	(369,303)	(126,127)	(53,595)	(568,714)
Cash Flows From Noncapital Financing Activities:					
Financial Assistance - operating		355,010	153,102	49,324	560,584
Decrease (Increase) in accounts receivables financial assistance - RTA			(4,665)		(4,665)
Increase in payment to RTA		23,511		6,103	29,614
Increase in due to other fund	507				507
Net cash provided by noncapital financing activities	507	378,521	148,437	55,427	586,040
Cash flows from Capital and Related financing activities:					
(Decrease) in long-term obligation-RTA			(6,790)		(6,790)
Financial assistance-grant projects		257,247	263,125	21,873	531,525
Capital farebox financing revenue			7,425		7,425
Decrease in receivable-grant project			3,320		3,320
Capital grant additions		(260,633)	(283,088)	(23,187)	(551,438)
Other capital improvements			(95)		(95)
Net cash provided by (used in) capital and related financing activities	0	(3,386)	(16,103)	(1,314)	(16,053)

PRO FORMA COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Joint Self-Insurance Fund	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Pro Forma Combined Balance
Cash flows from investing activities:					
Decrease in interest receivable	1,034	1,864			2,898
Purchase of long-term marketable securities		(2,540)	(12,689)		(15,229)
Sales of long-term marketable securities		8,240	9,008		17,248
Net cash used in investing activities	1,034	7,564	(3,681)	0	4,917
Net increase (decrease) in cash and temporary investments	(10,250)	13,396	2,526	518	6,190
Add bank overdraft		5,735			5,735
Cash and cash equivalents at beginning of year	51,052	19,086	19,035	16,273	105,446
Cash and cash equivalents at end of year	$40,802	$38,217	$21,561	$16,791	$117,371

The accompanying notes to the pro forma combining financial statements are an integral part of this statement
See accompanying compilation report of KPMG Peat Marwick.

NOTE 1 - ORGANIZATIONAL STRUCTURE

RTA. The Regional Transportation Authority (RTA) was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois region. The operating responsibilities of the RTA are set forth in the RTA Act. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. At that time, the RTA made grants to the Chicago Transit Authority (CTA), which provided the bus and rapid transit service in Chicago and some adjacent Cook County suburbs. However, in 1983 the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning and oversight entity. The reorganization placed all operating responsibilities in the CTA and two operating divisions of the RTA: the Commuter Rail Division ("METRA"), and the Suburban Bus Division ("Pace"), each having its own independent board. These divisions conduct operations and deal with subsidized carriers. These three entities are defined in the RTA Act as the "Service Boards."

The RTA Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA's system as a whole achieves annually a "system generated revenue recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50% of the cost of the transportation services. The Service Boards achieve their required recovery ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has financial oversight responsibility for the budgets and financial performance monitoring of the CTA, METRA and Pace.

CTA. The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The City Council of the City of Chicago has granted the CTA the exclusive right to operate a passenger transportation system within the City of Chicago.

METRA. The Northeast Illinois Regional Commuter Railroad Corporation, a public corporation acting under the service name of METRA, was established in 1980 to serve as the RTA's commuter rail division. METRA has the responsibility for policy making with respect to actual day-to-day operations, capital investments, fare levels, and service and facilities planning for its operations. METRA is directly responsible for the operation and management of the commuter services of the Rock Island, Milwaukee Road and Metra Electric and Heritage Corridor commuter rail lines. METRA also has responsibility for administration of all commuter rail activities in the metropolitan Chicago area including deficit funding, capital grant application and administration activities.

Deficit funding operations arise from purchase of service agreements with the participating Chicago commuter rail carriers including: Chicago and NorthWestern Transportation Company; Burlington Northern Railroad Company; Norfolk Southern Railway Company; and Chicago, SouthShore and South Bend Railroad/Northern Indiana Commuter Transportation District. Under these agreements, METRA funds the commuter related operating deficits of these carriers in addition to providing for certain direct expenses such as fuel, electricity and insurance coverage considered "in kind assistance".

The title to the roadway and structure assets of these carriers, other than capital improvements funded by federal, state and local grants and by METRA generated funds, is vested with the carriers and, accordingly, such assets are not reflected in these financial statements.

Pace. Independent operations of Pace commenced July 1, 1984. The Pace Board of Directors is empowered to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will.

Pace determines the level, nature and kind of public transportation services that should be provided in the suburban region.

Reporting Periods. The RTA, METRA and Pace report on a calendar year basis, with a fiscal year ended December 31, 1992. The CTA's fiscal year was December 29, 1991 through December 26, 1992. All statements enclosed herewith are based on each entity's fiscal year.

NOTE 2 - REPORTING ENTITY

Government accounting and financial reporting standards as established by Statement 3 and Interpretation 7, "Defining the Governmental Reporting Entity", issued by the National Council of Governmental Accounting and adopted by the Governmental Accounting Standards Board, require disclosure in the notes of governmental financial statements of the results of applying Statement 3 and Interpretation 7 criteria to specific affiliated organizations. The assets, liabilities, revenues, and expenditures of all affiliated organizations determined to be part of a governmental reporting entity generally must be included on the face of its financial statements. Thus, it is necessary to determine whether the CTA, METRA and Pace are part of the RTA Statement 3 and Interpretation 7 reporting entity.

The basic criterian for determining whether an affiliated organization is part of a governmental reporting entity is the exercise of oversight responsibility. The Statement sets forth various manifestations of oversight responsibility (responsibility for debt, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, etc.) which indicate that an affiliated organization should be included within the reporting entity.

An affiliated organization generally should be included within a governmental reporting entity, regardless of the degree of oversight responsibility, if its activities are: (1) for the benefit of the reporting entity and/or its residents, (2) conducted within the geographic boundaries of the reporting entity, and (3) generally available to the citizens of the reporting entity.

In the judgement of the management of each of the entities and with the concurrence of their auditors, analysis and application of Statement 3 and Interpretation 7 criteria indicate that, while the RTA does exercise some fiscal oversight, the CTA, METRA and Pace are not part of the RTA reporting entity for purposes of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards. Accordingly, financial statements for the CTA, METRA and Pace are not included or combined with the RTA's financial statements. They are combined, however, in this Pro Forma Combining Annual Financial Report. The Pro Forma Combining Annual Financial Report is a statutorily required report and is not required under governmental accounting and financial reporting standards.

In arriving at this conclusion, the following factors were considered;

- The CTA, METRA and Pace maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters including: ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The CTA, METRA and Pace are also responsible for the purchase of services and approval of contracts relating to their operations.
- The RTA Board has control neither in the selection or appointment of any Service Board Director nor of any of its management. Further, directors of the CTA, METRA and Pace are excluded, except for the Chairman of the Chicago Transit Board who is also an RTA Board member, from serving on more than one entity's board of directors, including that of the RTA.
- The CTA, METRA and Pace provide services to different geographic areas within the six-county region. METRA provides transit service to the six-county area with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace's primary service area is the suburban communities with limited service to areas within the City of Chicago. The CTA provides service to the City of Chicago and neighboring suburbs within Cook County. Although programs are underway to increase the transfer of ridership between the service entities, trips of this type presently represent a minority of those taken.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the RTA, CTA, METRA and Pace conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

Fund Accounting. The RTA maintains its records using a governmental fund accounting model consisting of a General Fund, a Debt Service Fund, a Capital Projects Fund, a Joint Self-Insurance Fund and an Agency Fund. All governmental funds and the Agency Fund are accounted for using the modified accrual method of accounting, i.e. revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred. The Joint Self-Insurance Fund is accounted for on the accrual method of accounting. Fixed asset transactions are accounted for in the General Fixed Assets Account Group. Long-term liabilities are accounted for in the General Long-Term Debt Account Group. For the purpose of these pro forma statements, all RTA funds are combined, where appropriate.

The Service Boards are accounted for on a proprietary fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these pro forma combining financial statements, Service Board financial statements are combined with those of the RTA.

Cash and Investments. All investments are recorded at cost, which approximates market value, except for investments held by the RTA and CTA for their deferred compensation plan which are reported at market value.

Fixed Assets. All fixed assets are recorded at cost. In calculating depreciation, each of the Service Boards uses the straight-line method. The estimated useful lives vary depending on the type of fixed asset. These useful lives range from one to forty-five years.

Material and Supply Inventories. Each of the Service Boards record its' inventory at the lower of cost or market. CTA and METRA use the average cost method to determine the cost base. Pace uses the first-in, first-out method to determine cost.

Compensated Absences. All four entities have recorded a liability for vested vacation time in the year the time was earned.

Revenues. The region has five principal sources of revenue and other financing sources: (1) farebox revenue; (2) retailers' occupation taxes, service occupation taxes, and use taxes (collectively, "Sales Taxes"); (3) funds appropriated to the RTA by statute through the State's Public Transportation Fund established under the RTA Act; (4) funds in respect of state or federal grants, loans, or any other such funds, which the RTA is authorized to apply for and receive under the RTA Act; and (5) investment income and other miscellaneous revenue.

Fare Box Revenue. A major source of revenue to the Service Boards is fares collected from riders. Each entity has its own fare structure and method for collection of fares. Farebox revenue is recognized when fares paid are initially valid for transportation services.

Taxes. The RTA Sales Tax currently imposed by the RTA consists of (i) in Cook County, (a) a tax of 1% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a "Food and Drug Tax") and (b) a tax of .75% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois (other than Cook County) a tax of .25% of the gross receipts from all taxable retail sales (together with (i) (b), a "General Sales Tax"); and (iii) a tax of .75% on the use in Cook County, and .25% on the use of Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a "Use Tax"). The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sales of a service) is transferred (with respect to the taxes in (i) and (ii), a "Service Occupation Tax").

The RTA Sales Tax is collected by the Illinois Department of Revenue and paid to the Treasurer of the State of Illinois to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly, without appropriation, by the State Treasury on the order of the State Comptroller directly to the RTA.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the state and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax and State Service Occupation Tax portions of the RTA sales tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the "Sales Tax Reform Act") aimed at simplifying the base and rate structure of taxes imposed by the state and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA sales tax in Cook County were reduced from

1% to .75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA sales tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the state but registered or titled with a state agency within the state (i.e., .25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside of the state but registered or titled with a state agency within the state, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Ten percent of the money paid into the Reform Fund is then transferred into the Replacement Fund.

The RTA Act provides that the RTA withhold 15% of the tax revenues generated and that these revenues are deposited into the RTA's General Fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85% of sales tax is allocated to the Service Boards as follows:

Service Board	Collected Within Chicago	Collected Within Cook County Outside Chicago	Collected in DuPage Kane, Lake, McHenry and Will Counties
CTA	100%	30%	-
METRA	-	55%	70%
Pace	-	15%	30%

The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

Public Transportation Fund (PTF). In accordance with the RTA Act, the State Treasurer is authorized and required to transfer from the state's general revenue fund to a special fund in the State Treasury designated the "Public Transportation Fund" an amount equal to 25% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) imposed by the Board. These amounts may be paid to the RTA only upon state appropriation. The state has approved an appropriation from the Public Transportation Fund through its 1993 fiscal year which will end June 30, 1993. In 1992, the RTA received Additional State Assistance (ASA) from the PTF. The amount received is equivalent to the debt service on Strategic Capital Improvement Program bonds, subject to a statutory cap and appropriation.

None of the revenues from the Public Transportation Fund is payable to the RTA unless and until it certifies to the Governor, State Comptroller, and Mayor of the City of Chicago that the RTA has adopted a budget and financial plan as called for by the RTA Act.

The amounts allocable to each of the Service Boards from funding received by the RTA from the state's Public Transportation Fund are allocated at the discretion of the RTA Board in connection with the review and approval of the annual revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

Federal Operating Assistance Grant. A grant is provided to the RTA under Section 9 of the Federal Urban Mass Transportation Act. The revenue is recognized on the modified accrual basis in the year funds are actually received based upon final approval of the grant. All funds received under this grant are "passed through" to the Service Boards.

Reduced Fare Reimbursement. The Legislature has appropriated funds for a program under which the Illinois Department of Transportation is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for actual revenue losses attributable to reduced fares for students, handicapped persons and the elderly. The revenue is recognized on the modified accrual method when the amount is requested from the Illinois Department of Transportation.

Reclassifications. CTA and Pace have made certain reclassifications to their 1991 balances to conform with 1992 statement presentation.

Combining Adjustments. Inter-agency receivables, payables, revenues, expenses and expenditures have been eliminated in accordance with generally accepted accounting principles in the Pro Forma Combining Adjustment Column. There are some differences in these amounts reported in the stand-alone financial statements of the RTA and the Service Boards. These valid differences relate primarily to differences in timing in the recording of certain transactions. For purposes of these pro forma combining financial statements, such differences are recorded as combining adjustments to contributed capital.

NOTE 4 - BUDGET AND BUDGETARY ACCOUNTING

Section 4.01(a) of the RTA Act requires the RTA prepare and adopt a comprehensive annual budget and program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The budget is comprehensive and includes the activity in all the General and Agency Funds.

The annual budget and related appropriations are prepared in conformity with generally accepted accounting principles except for capital grants, which are budgeted for on a project basis which normally exceeds one year, and debt service payments which are budgeted as transfers from the General Fund. RTA expenditures may not exceed budgeted appropriations except by RTA Board approval. All appropriations lapse at year-end. During the year, several supplementary appropriations were passed.

It is the policy of the RTA to fund the budgets of the Service Boards, up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

1. The first source of funds to be credited against the budgeted funding amount is from FTA operating assistance grant;
2. The second source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;
3. The third source of funds to be credited against the budgeted funding amount is from PTF receipts; and
4. The fourth source of funds credited against the budgeted funding amount is from RTA 15% and other discretionary receipts.

For capital expenditures, the payment of PTF funds, 15% funds and other discretionary funds of the RTA shall be made under the terms and conditions of a grant agreement governing such capital expenditures.

NOTE 5 - LEASES

The RTA and METRA hold operating leases which are primarily for rent expense on the facilities they occupy. Pace is obligated under a capital lease for paratransit buses.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Each of the entities has various commitments that have arisen in the normal course of operations. None is expected to have a material adverse impact on it's financial position as presented.

Each of the entities has also established liabilities for potential legal judgements to satisfy claims against the entity.

The RTA has also established a Loss Financing Plan to cover funding of losses incurred by the Service Boards over certain established limits.

NOTE 7 - CASH AND INVESTMENTS

The applicable statutory provisions governing the investment of public funds are found in Ill. Rev. Stat. Ch. 85, Sec. 901, et. seq. Each of the four entities also has established its own investment policy which is in line with the state statute, or in some cases more restrictive. Investment maturities range from less than a week to greater than a year for the RTA and METRA.

The RTA and Service Boards have on hand at December 31, 1992, $360.6 million of cash and investments. Of that amount $176.7 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects for which debt has been issued. In addition, $84.4 million is reserved for capital projects that are currently in the process of implementation which are to be paid from currently existing RTA and Service Board funds.

NOTE 8 - DUE FROM CTA AND METRA

In 1992, in addition to public funding, the RTA made a loan of $11.01 million to CTA to cover its expenses. This loan is free of interest and will be repaid by CTA to the RTA in 1994 and 1995. Also, the RTA paid $12.5 million to the CTA from the Loss Financing Plan. CTA will repay $3.5 million annually to the RTA with interest.

An agreement dated July 14, 1987 between the RTA and METRA stipulates that METRA would repay the RTA the principal sum of $67.9 million in ten equal annual installments, without interest, beginning December 31, 1988, with final payment due December 31, 1997. In September 1987, METRA repaid the RTA $11.8 million with UMTA grants which were used to retire a portion of the General Obligation Notes. The RTA forgave $3.9 million of this receivable and accordingly made the corresponding balance of the General Obligation Note repayment with its own financial resources. METRA repaid $6.79 million in each of the next four years. The remaining receivable from METRA at December 31, 1992 is $25.04 million.

NOTE 9 - LONG-TERM DEBT

Changes during the year in long-term debt of the RTA were as follows: (In millions)

			General Obligation		
	1986A	1990A	Bonds 1991A	1992A & 1992B	Total
Long-term obligation at December 31, 1991	$22.5	$98.9	$100.0	—	$221.5
New Issues	—	—	—	$218.0	218.0
Current retirement	(4.0)	(1.2)	—	—	(5.2)
Long-term obligation at December 31, 1992	$18.5	$97.7	$100.0	$218.0	$434.3

1986 General Obligations Bonds. On November 1, 1986, the RTA issued $40 million General Obligation Bonds, Series 1986A, to establish a Joint Self-Insurance Fund for the RTA, CTA, METRA and Pace. The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage and other claims above retained limits payable by any of the participants arising out of personal injuries, property damage and certain other losses and damages. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay the principal or interest on the Series 1986A Bonds.

The Series 1986A Bonds will mature on November 1 over a ten-year period, and interest will be payable at rates ranging from 4.0% to 6.2% on May 1, 1987 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Principal and interest requirements on the Series 1986A Bonds to maturity are set forth below:

Year	Principal	Interest	Total
1993	$4,245,000	$1,108,810	$5,353,810
1994	4,485,000	866,845	5,351,845
1995	4,750,000	602,230	5,352,230
1996	5,040,000	312,480	5,352,480
Total	$18,520,000	$2,890,365	$21,410,365

1990 General Obligations Bonds. On May 1, 1990, the RTA issued $100 million General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the CTA, METRA and Pace.

The Series 1990A Bonds will mature on November 1 over a thirty-year period, and interest will be payable at rates ranging from 6.00% to 7.15% on November 1, 1990 and semi-annually thereafter on May 1 and November 1 in each remaining year.

Principal and interest requirements on the Series 1990A Bonds to maturity are set forth below:

Year	Principal	Interest	Total
1993	$1,230,000	$6,957,728	$8,187,728
1994	1,310,000	6,880,853	8,190,853
1995	1,390,000	6,798,323	8,188,323
1996	1,480,000	6,709,363	8,189,363
1997	1,575,000	6,613,163	8,188,163
1998	1,680,000	6,509,213	8,189,213
1999	1,790,000	6,395,813	8,185,813
2000	1,915,000	6,274,093	8,189,093
2001	2,045,000	6,141,958	8,186,958
2002	2,185,000	6,000,853	8,185,853
2003	2,340,000	5,847,903	8,187,903
2004	2,505,000	5,682,933	8,187,933
2005	2,685,000	5,505,078	8,190,078
2006	2,875,000	5,313,100	8,188,100
2007	3,085,000	5,103,225	8,188,225
2008	3,310,000	4,878,020	8,188,020
2009	3,550,000	4,636,390	8,186,390
2010	3,810,000	4,377,240	8,187,240
2011	4,085,000	4,102,920	8,187,920
2012	4,380,000	3,808,800	8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015	5,395,000	2,792,880	8,187,880
2016	5,785,000	2,404,440	8,189,440
2017	6,200,000	1,987,920	8,187,920
2018	6,645,000	1,541,520	8,186,520
2019	7,125,000	1,063,080	8,188,080
2020	7,640,000	550,080	8,190,080
Total	$97,745,000	$131,525,729	$229,270,729

1991 General Obligation Bonds. In November 1991, the RTA issued $100 million in General Obligation Bonds, Series 1991A, to replenish the capital projects fund to provide the source of paying costs of the Capital Program for the CTA, METRA, and Pace.

The Series 1991A Bonds will mature on November 1 over a thirty-year period, and interest will be payable at rates ranging from 4.85% to 6.55% on May 1, 1992 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Principal and interest requirements on the Series 1991A Bonds to maturity are set forth below:

Year	Principal	Interest	Total
1993	$1,345,000	$6,484,931	$7,829,931
1994	1,410,000	6,419,699	7,829,699
1995	1,480,000	6,347,789	7,827,789
1996	1,555,000	6,270,089	7,825,089
1997	1,640,000	6,186,119	7,826,119
1998	1,735,000	6,095,099	7,830,099
1999	1,830,000	5,996,204	7,826,204
2000	1,940,000	5,889,149	7,829,149
2001	2,055,000	5,773,719	7,828,719
2002	2,180,000	5,649,391	7,829,391
2003	2,310,000	5,515,321	7,825,321
2004	2,455,000	5,370,946	7,825,946
2005	2,615,000	5,215,054	7,830,054
2006	2,780,000	5,046,386	7,826,386
2007	2,965,000	4,864,296	7,829,296
2008	3,160,000	4,667,865	7,827,865
2009	3,370,000	4,458,515	7,828,515
2010	3,595,000	4,232,725	7,827,725
2011	3,835,000	3,991,860	7,826,860
2012	4,090,000	3,734,915	7,824,915
2013	4,365,000	3,460,885	7,825,885
2014	4,660,000	3,168,430	7,828,430
2015	4,970,000	2,856,210	7,826,210
2016	5,305,000	2,523,220	7,828,220
2017	5,660,000	2,167,785	7,827,785
2018	6,040,000	1,788,565	7,828,565
2019	6,445,000	1,383,885	7,828,885
2020	6,875,000	952,070	7,827,070
2021	7,335,000	491,445	7,826,445
Total	$100,000,000	$127,002,567	$227,002,567

1992 General Obligation Bonds. In June 1992, the RTA issued $188 million in General Obligation Bonds Series 1992A, to pay the cost of purchasing and reconstructing railcars for METRA. These are Strategic Capital Improvement Bonds. The RTA also issued $30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair, and replacement of certain public transportation facilities for the CTA, METRA, and Pace.

The Series 1992A and 1992B Bonds will mature on June 1 over a thirty-year period and interest will be payable at rates ranging from 5.30% to 9.00% on December 1, 1992 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Principal and interest requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

Year	Principal	Interest	Total
1993	0	$14,352,169	$14,352,169
1994	0	14,352,169	14,352,169
1995	0	14,352,169	14,352,169
1996	0	14,352,169	14,352,169
1997	2,176,364	14,352,169	16,528,533
1998	3,540,909	14,243,413	17,784,322
1999	3,743,636	14,051,779	17,795,415
2000	3,963,182	13,840,569	17,803,751
2001	4,200,909	13,611,943	17,812,852
2002	4,455,455	13,366,233	17,821,688
2003	4,731,364	13,101,189	17,832,553
2004	5,080,000	12,815,028	17,895,028
2005	5,531,818	12,415,174	17,946,992
2006	6,053,636	11,918,914	17,972,550
2007	6,625,455	11,375,854	18,001,309
2008	7,247,273	10,761,494	18,008,767
2009	7,858,636	10,131,334	17,989,970
2010	8,415,455	9,551,974	17,967,429
2011	8,972,727	9,014,630	17,987,357
2012	9,568,182	8,441,702	18,009,884
2013	10,210,000	7,824,884	18,034,884
2014	10,895,455	7,162,794	18,058,249
2015	11,614,545	6,456,244	18,070,789
2016	12,357,273	5,729,754	18,087,027
2017	13,135,909	4,974,541	18,110,450
2018	13,965,909	4,171,738	18,137,647
2019	14,847,727	3,318,219	18,165,946
2020	15,785,909	2,410,800	18,196,709
2021	16,784,091	1,446,051	18,230,142
2022	6,238,181	420,298	6,658,479
Total	$218,000,000	$294,317,398	$512,317,398

All of the Series Bonds are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The Bonds are payable from all revenues and all other funds received or held by the Authority (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations), that lawfully may be used for retiring the debt.

The Bonds are secured by an assignment of and lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the Trustee by officials of the State of Illinois. Any amounts not needed to make the required monthly deposits for the bonds or other Authority obligations, or for deposit in the Debt Service Reserve Fund, are to be paid monthly to the RTA by the Trustee.

Under the RTA Act, the CTA's, METRA's and Pace's farebox receipts and funds on hand are not available for payment of debt service on the Bonds.

In the Debt Service Fund, $5,790,227 is available to service the RTA's long-term debt as of December 31, 1992. The remaining balance in this fund is reserved for interest payments.

NOTE 10 - DEFERRED COMPENSATION

Each of the entities offers a deferred compensation plan to its employees. The RTA, CTA and METRA have plans created in accordance with Internal Revenue Code Section 457. METRA and Pace also offer 401(K) plans.

In each Section 457 plan, all amounts deferred, all property or rights purchased with such amounts, and all earnings on such investments are unrestricted assets of the entity until paid to the participant. The participants rights under the plan are equal to those of general creditors, although none of the entities plan to use these assets to satisfy liabilities.

NOTE 11 - PENSION

All eligible employees of the four entities are covered under a pension plan. RTA employees, as well as non-union employees of METRA and Pace are covered under the RTA Pension Plan which is a multi-employer non-contributory defined benefit cost sharing plan. The union employees of METRA and Pace are covered under various other plans as are required by their collective bargaining agreements.

The employees of the CTA are generally covered by the Employees Retirement Plan, governed by the terms of the employees collective bargaining agreement.

NOTE 12 - REGION-WIDE FINANCIAL INFORMATION

The RTA management has elected to present certain region-wide financial information. The purpose of this information is to provide a total overview of transportation related operations in the Northeastern Illinois region. Accordingly, this region-wide information is presented on the following two pages in a pro forma combining region-wide statement of revenues and expenditures and a pro forma combining region-wide budgetary basis statement of revenues and expenditures - budget and actual.

The primary financial statements of the RTA and the Service Boards used to prepare the pro forma combining statements of revenues and expenditures do not include the aggregate of system generated revenues and costs. METRA properly nets the revenues and expenses for their private carriers. The pro forma combining region-wide statement of revenues and expenditures does include, how-

ever, the aggregate of all system revenues and costs. However, the Act modifies generally accepted accounting principles to exclude certain revenues and expenses from the calculation of the region-wide system generated revenues recovery ratio.

The RTA Act, as amended, requires that the aggregate of all system generated revenues equal at least 50% of the aggregated costs of providing such public transportation. This concept is described as the "system generated revenues recovery ratio."

For 1992, the region-wide system generated revenues recovery ratio is calculated as follows:

	1992 (in thousands)
System Generated Revenues	
CTA	$393,109
Metra	176,300
Pace	32,325
RTA	10,616
Total System Generated Revenues	$612,350
System Generated Expenses	
CTA	$747,204
Metra	306,929
Pace	89,010
RTA	11,581
Total System Generated Expenses	$1,154,724

Total system generated revenues recovery ratio equals revenues of $612.4 million divided by a total expenses of $1,154.7 million or 53.03%.

The system generated expenses for the CTA do not include $40.606 million of injury and damage expenses required based on a current actuarial valuation. If these expenses had been included, the system generated revenues recovery ratio would be 51.23%, still above the required 50%. In prior years these amounts were included as an expense; in future years these amounts will be included in the years these expenses are funded. Metra and Pace have included all injury and damage expenses in their system generated expenses, as they have been fully funded and represent a 1992 expense.

Management and legal counsel believe that the revised calculation would be acceptable under existing statutes. The RTA Board is scheduled to consider a formal policy regarding injury and damage expenses on July 1, 1993.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

PRO FORMA COMBINING REGION-WIDE STATEMENT OF REVENUES AND EXPENDITURES

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debt	Combining Adjustments Credit	Pro Forma Combined Balance
Revenues:							
Passenger fares		$352,349	$148,935	$29,081			$530,365
Other		40,760	27,365	5,786	$28,404		45,507
RTA financial assistance		357,769	153,103	54,445	565,317		
Sales taxes	$445,891						445,891
Interest on sales taxes	565						565
Federal operating assistance	49,141						49,141
PTF	109,843						109,843
Additional State Assistance	6,016						6,016
State reduced fare reimbursement	27,924						27,924
Investment income	15,606						15,606
Other grants and reimbursements	400						400
Total Revenues	655,386	750,878	329,403	89,312	593,721	0	1,231,258
Expenditures:							
Operating expenses		809,389	309,254	91,552			1,210,195
Depreciation		69,420	51,612	14,407			135,439
Operating grants to Service Boards	542,174					542,174	
Capital grants to Service Boards	279,291					19,628	259,663
New initiatives to Service Boards	1,067					1,067	
Reduced fare reimbursement to Service Boards	27,924					27,924	
Sales tax interest to Service Boards	480					480	
Administration	4,864						4,864
Regional expenses	11,197						11,197
Debt Service	26,482						26,482
Fixed assets additions	1,737						1,737
Total Expenditures	895,216	878,809	360,866	105,959	0	591,273	1,649,577
Net Revenues (Expenses/Expenditures)							
Before Depreciation Exclusion	(239,830)	(127,931)	(31,463)	(16,647)	593,721	591,273	(418,319)
Depreciation exclusion		65,202	51,612	14,407			131,221
Bond proceeds	218,486						218,486
Capital farebox financing			7,425				7,425
Net Revenues (Expenditures)	($21,344)	($62,729)	$27,574	($2,240)	$593,721	$591,273	($61,187)

See accompanying compilation report of KPMG Peat Marwick.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

PRO FORMA COMBINING REGION-WIDE BUDGETARY BASIS STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL

For the Fiscal Year Ended December 31, 1992 *(in thousands)*

	RTA Combined Funds	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Combining Adjustments Debit	Combining Adjustments Credit	Pro Forma Combined Balance	Pro Forma Region-Wide Budget
Revenues:								
Passenger fares		$352,349	$148,935	$29,081			$530,365	$586,153
Other		40,760	27,365	5,786	$28,404		45,507	
RTA financial assistance		357,769	153,103	54,445	565,317			
Sales taxes	$445,891						445,891	437,573
Interest on sales taxes	565						565	
Federal operating assistance	49,141						49,141	49,057
PTF	109,843						109,843	109,392
State Additional Assistance	6,016						6,016	
State reduced fare reimbursement	27,924						27,924	27,826
Investment income	15,606						15,606	10,016
Other grants and reimbursements	400						400	200
Bond proceeds	218,486						218,486	
Total Revenue	873,872	750,878	329,403	89,312	593,721	0	1,449,744	1,220,217
Expenditures:								
Operating expenses		809,389	309,254	91,552			1,210,195	1,178,856
Depreciation		4,218					4,218	
Operating grants to Service Boards	542,174					542,174		
Capital grants to Service Boards	279,291					19,628	259,663	279,291
New initiatives to Service Boards	1,067					1,067		
Reduced fare reimbursement to Service Boards	27,924					27,924		27,826
Sales tax interest to Service Boards	480					480		
Administration	4,864						4,864	5,433
Regional expenses	11,197						11,197	8,193
Debt Service	26,482						26,482	22,679
Fixed assets additions	1,737						1,737	3,087
Total Expenditures	$895,216	$813,607	$309,254	$91,552	$0	$591,273	$1,518,356	$1,505,737

See accompanying compilation report of KPMG Peat Marwick.

Service Division Operating Characteristics

Chicago Transit Authority

Rapid Transit

- 215 route miles
- 138 stations served
- 1,274 rapid transit cars
- 10.0 million riders per month

Motor Bus

- 132 bus routes
- 2,170 buses
- 30.9 million riders per month

Paratransit

- 75 thousand riders per month

Metra Commuter Rail Division

- 1,200 miles of track
- 233 stations
- 127 locomotives
- 684 passenger cars
- 206 electric cars
- 660 trains operated each, weekday
- 97.2% on-time performance in 1992
- 5.8 million riders per month

Pace Suburban Bus Division

Fixed Route

- 148 regular routes
- 86 feeder routes
- 200 communities served
- 98 commuter rail and rapid transit stations served
- 606 vehicles in use during peak periods
- 3.1 million riders per month

Paratransit

- 60 local services
- 229 Pace owned lift-equipped buses in service
- 220 communities served
- 118 thousand riders per month

Allocation of Capital Funds to Northeast Illinois

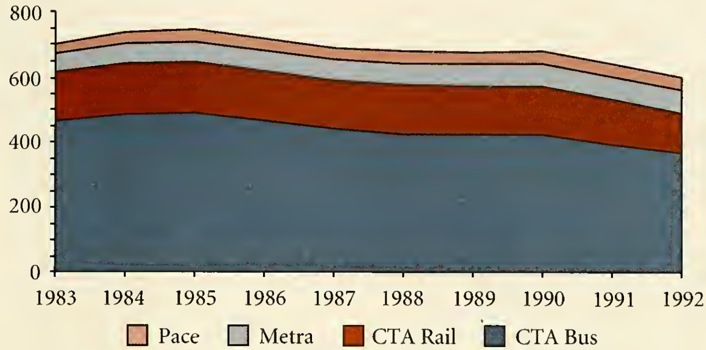
Last Ten Calendar Years

Sections 3, 9 and 23 *(In millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	RTA
1983	$278.45	$167.40	$101.95	$9.10	-0-
1984	269.96	157.90	76.56	35.50	-0-
1985	231.40	141.20	75.40	14.80	-0-
1986	237.36	141.45	77.20	18.19	$0.52
1987	243.30	142.90	84.20	16.20	-0-
1988	245.72	154.18	72.93	18.61	-0-
1989	270.17	165.89	84.34	19.94	-0-
1990	174.79	113.45	42.46	18.88	-0-
1991	174.79	101.10	67.53	6.16	-0-
1992	161.14	90.77	57.14	13.23	-0-
Total	$2,287.08	$1,376.24	$739.71	$170.61	$0.52

System Ridership (in millions)

1983-1992 *(In millions)*

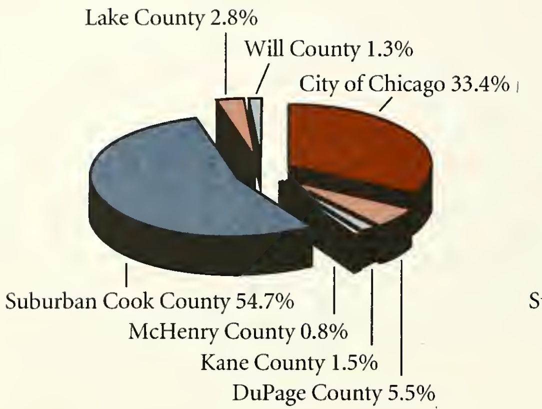


Unlinked Passengdr Trips

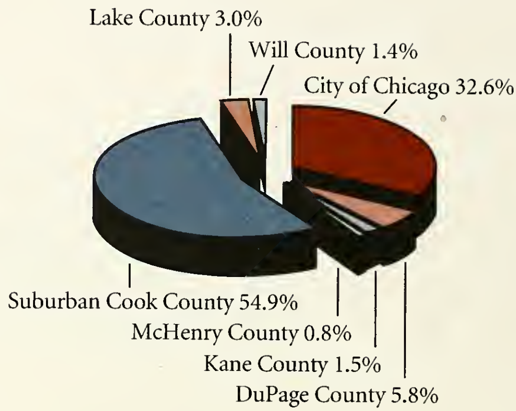
Service Consumed:	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CTA - Bus	465.8	484.9	487.9	467.7	440.7	424.3	421.7	423.2	394.1	372.3
CTA - Rail	147.2	153.9	155.9	145.7	148.6	149.4	147.7	146.7	135.3	120.3
Total CTA	613.0	638.8	643.8	613.4	589.3	573.7	569.4	569.9	529.4	492.6
Metra	56.9	59.6	61.8	62.1	64.0	67.0	68.4	69.3	69.0	70.2
Pace	31.2	36.3	38.4	36.1	35.6	36.7	37.9	40.4	40.5	39.3
System Total	701.1	734.7	744.0	711.6	688.9	677.4	675.7	679.6	638.9	602.1
Percent Change	0.2%	4.8%	1.3%	(4.4%)	(3.2%)	(1.7%)	(0.3%)	0.6%	(6.0)%	(5.8%)

SALES TAX REVENUES SOURCE BY COUNTY/CITY OF CHICAGO

1991



1992



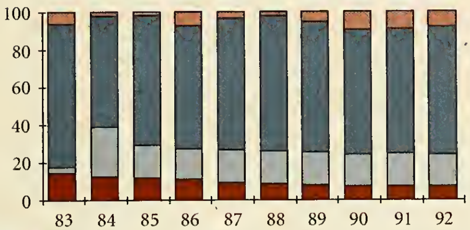
RETAILERS' OCCUPATION AND USE TAX (SALES TAX) REVENUES BY COUNTY

Last Eight Fiscal Years
(In Thousands)

Location of Retailer	12 Months Ended 12/31/85	% of Total	12 Months Ended 12/31/86	% of Total	12 Months Ended 12/31/87	% of Total	12 Months Ended 12/31/88
City of Chicago	$123,955	36.20	$132,201	35.87	$136,920	35.43	$146,037
Suburban Cook County	182,773	53.37	197,363	53.54	207,453	53.68	226,332
DuPage County	16,993	4.96	18,615	5.05	19,769	5.12	21,845
Kane County	4,615	1.35	4,927	1.34	5,427	1.41	5,927
Lake County	7,936	2.33	8,798	2.39	9,696	2.51	10,702
McHenry County	2,088	0.61	2,305	0.63	2,524	0.65	2,867
Will County	4,081	1.18	4,370	1.18	4,650	1.20	5,042
Total retailer's occupation and use tax (sales tax) revenue	$342,441	100.00	$368,579	100.00	$386,439	100.00	$418,752

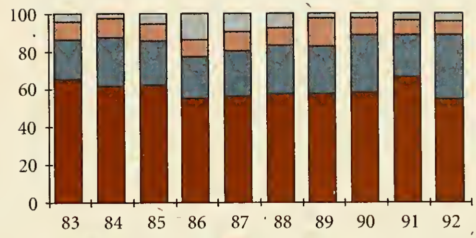
Distribution of Revenues

1983-1992
(Percentage)



Distribution of Expenses

1983-1992
(Percentage)



% of Total	12 Months Ended 12/31/89	% of Total	12 Months Ended 12/31/90	% of Total	12 Months Ended 12/31/91	% of Total	12 Months Ended 12/31/92	% of Total
34.87	$149,095	34.67	$152,611	34.36	$142,034	33.41	$145,541	32.64
54.05	232,262	54.02	240,429	54.14	232,487	54.68	244,671	54.87
5.22	22,734	5.29	23,615	5.32	23,277	5.47	26,015	5.84
1.42	6,201	1.44	6,448	1.45	6,332	1.49	6,717	1.51
2.56	11,314	2.63	11,997	2.70	12,151	2.86	13,289	2.98
0.68	3,059	0.71	3,302	0.74	3,312	0.78	3,631	0.81
1.20	5,323	1.24	5,708	1.29	5,580	1.31	6,027	1.35
100.00	$429,988	100.00	$444,110	100.00	$425,173	100.00	$445,891	100.00

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LEGAL DEBT CAPACITY

1992

LEGAL DEBT MARGIN:		
Debt limitation per Act for General Obligations		$1,000,000,000
Debt applicable to limitation:		
1986A General Obligation Bonds	$18,520,000	
1990A General Obligation Bonds	97,745,000	
1991A General Obligation Bonds	100,000,000	
1992A General Obligation Bonds	188,000,000	
1992B General Obligation Bonds	30,000,000	
Less: Amount available for repayment	(5,790,227)	
Total debt applicable to limitation		428,474,773
Debt Margin for General Obligations		571,525,227
Debt limitation per Act for Working Cash Notes		100,000,000
Total Legal debt Margin		$671,525,227

REVENUE TEST:

Sales Tax must be 1.5 times greater than debt service requirements
Revenues available must be 2.5 times greater than debt service requirements

Debt Service Requirements for 1992 were $29,004,504
1.5 x $29,004,504 = $43,506,756 vs. $445,890,947 of Sales Tax
2.5 x $29,004,504 = $72,511,260 vs. $649,996,083 of revenues available

CTA

Working Cash Notes	$40,000,000

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